

COCHRANE RESOURCES, INC.

Engineering
Wellsite Supervision
Lease Operating

PO Box 1656
Roosevelt, Utah 84066
Phone (435) 722-5081
Cell (435) 722-9448

July 21, 2006

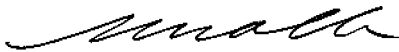
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Dear Sir:

Please find attached 3 copies of the Application to Drill the Divide 32-32 well. Bonding for the well is #0279083950.

Let me know if you have any questions.

Sincerely,



Ken Allen

RECEIVED

JUL 26 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 49572-OBA	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Cochrane Resources, Inc.				9. WELL NAME and NUMBER: Divide 32-32	
3. ADDRESS OF OPERATOR: PO Box 1656 Roosevelt, STATE UT ZIP 84066				PHONE NUMBER: (435) 722-5081	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1189' FNL 1790" FEL <i>647194X 39.45907</i> AT PROPOSED PRODUCING ZONE: <i>4368910Y -109.28912</i>				10. FIELD AND POOL, OR WILDCAT: WAS Undesignated	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 55 Miles South of Ouray				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 32 15 1/2 S 24 E <i>Lot 5</i> SLB+M	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 480'		16. NUMBER OF ACRES IN LEASE: 999.55		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 103	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None		19. PROPOSED DEPTH: 8,500		20. BOND DESCRIPTION:	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8222 GR		22. APPROXIMATE DATE WORK WILL START: 9/15/2006		23. ESTIMATED DURATION: 20 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	8 5/8" J55 24#	2,000	Class G	14.6#/gal	To Surface
				12.6 cu.ft./sk	
6 1/4"	4 1/2" 11.6# N-80		Lead	11.6 #.gal	Hyfill 6000'
				To Surface	3.84 cu.ft./sk
			Tail	1406#	50-50 POZ TD
				to 6000'	12.6 cu.ft./sk

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Ken Allen</u>	TITLE <u>President</u>
SIGNATURE <u><i>Ken Allen</i></u>	DATE <u>7/21/2006</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31487

APPROVAL:

RECEIVED
JUL 26 2006

DIV. OF OIL, GAS & MINING

Cochrane Resources, Inc.

State Divide 32-32
Lot 5 Section 32 – T15 1/2S – R24E
Grand County, Utah
Lease No. ML49572-OBA

Drilling Plan

1. Estimated Tops of Important Geologic Markers & Anticipated Water, Oil, Gas or Mineral Formations:

Formation	Depth	Hydrocarbon/Water Bearing Zones
Green River	Surface	
Mancos	4100'	Gas
Dakota	7800'	Gas
TD	8500'	

2. Pressure Control Equipment

All well control equipment shall be in accordance with Onshore Order #2 for 5M Systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram showing size, pressure ratings, testing procedures, and testing frequency.

5000# BOP With 4 ½" Pipe Rams
5000# BOP with Blind Rams
5000# Annular

Auxiliary equipment to be used:

- Upper Kelly cocks with handle available.

The manifold includes appropriate valves and adjustable chokes. The kill line will have check valve. Ram type preventers will be pressure tested to full working pressure (utilizing a test plug) at:

- initial installation;
- whenever any seal subject to test pressure is broken;
- following related repairs;
- at 30 day intervals

The annular preventer will be pressure tested to 50 percent of the rated working pressure. All pressure tests shall be maintained at least ten minutes or until provisions of test are met, whichever is longer.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip.

A BPOE pit level will be conducted weekly for each drilling crew.

All tests and rills will be recorded in the drilling log.

The accumulator will have sufficient capacity to open the HCR valve, close all rams plus the annular preventer, and retain 200 psi above pre-charge pressure without the use of closing unit pumps. The system will have two independent power sources to close the preventers in accordance with 5M system requirements outlined in Onshore Order #2.

Remote controls shall be readily accessible to the driller. Master controls shall be at the accumulator.

3. Casing & Cementing Program:

A. The proposed casing will be as follows:

Depath	Hole Size	Csg Size	Grade	Wt	Thread	Cond.
0-2000'	12 ¼	8 5/8	J-55	24#	ST&C	New
0-TD	6 1/4	4 ½	N-80	11.6	LT&C	New

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting will contain the maximum pressure to which it will be exposed during normal drilling including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressure, lost circulation zones, other minerals or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or except API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

The bottom three joints of the surface casing will have one centralizer per joint and one centralizer every fourth joint thereafter.

Casing design subject to revision based on geologic conditions encountered.

B. The proposed cementing program will be as follows:

Production String: Estimated volume (gauge hole + 15%)

Lead: 450sx Hifill @ 11.0 ppg, 3.84 cu.fl./sx.

Tail: 400 sx 50/50 POZ @ 14.35 ppg, 1.26 cu. ft/sx. *DKD per Kendall*
8/12/06

Actual volumes will be calculated and adjusted with caliper log prior to cementing. Ten percent excess will be pumped.

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

4. Drilling Fluids Program:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0 - 2000'	Spud	8.4 - 9.0	30 - 45+	8.0	NC	Gel & Lime as required
2000' - 5500'	Wtr/gel	8.4 - 8.8	27 - 35	8.5 - 9.0	NC	Min. Wt.
5500' - TD	KCL/Mud	8.5 - 8.8*	35 - 40	9.0 - 11.0	10-15 cc @ TD	*Min Wt. to control formation pressure.

Water will come from: Water Right No. 43-10447, located in Sec 9 T8S R20E.

Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual monitoring will be conducted during operations.

5. Evaluation Program:

Logs: DLLT/GR:

TD to base surface casing

FCC/CNL.GR.CAL
Bond Log

TD to 3000'
TD to 200' above cement top

6. Abnormal Conditions:

No anticipated abnormal pressures or temperatures are expected to be encountered. No hydrogen sulfide is expected.

Anticipated bottom-hole pressure is 1800 psi.

7. Other Information:

The anticipated starting date and duration of the operation will be as follows:

Starting Date:

Upon Approval

Duration

20 Drilling Days & Completion Days

COCHRANE RESOURCES, INC.

DIVIDE #32-32

LOCATED IN GRAND COUNTY, UTAH
SECTION 32, T15 1/2S, R24E, S.L.B.&M.

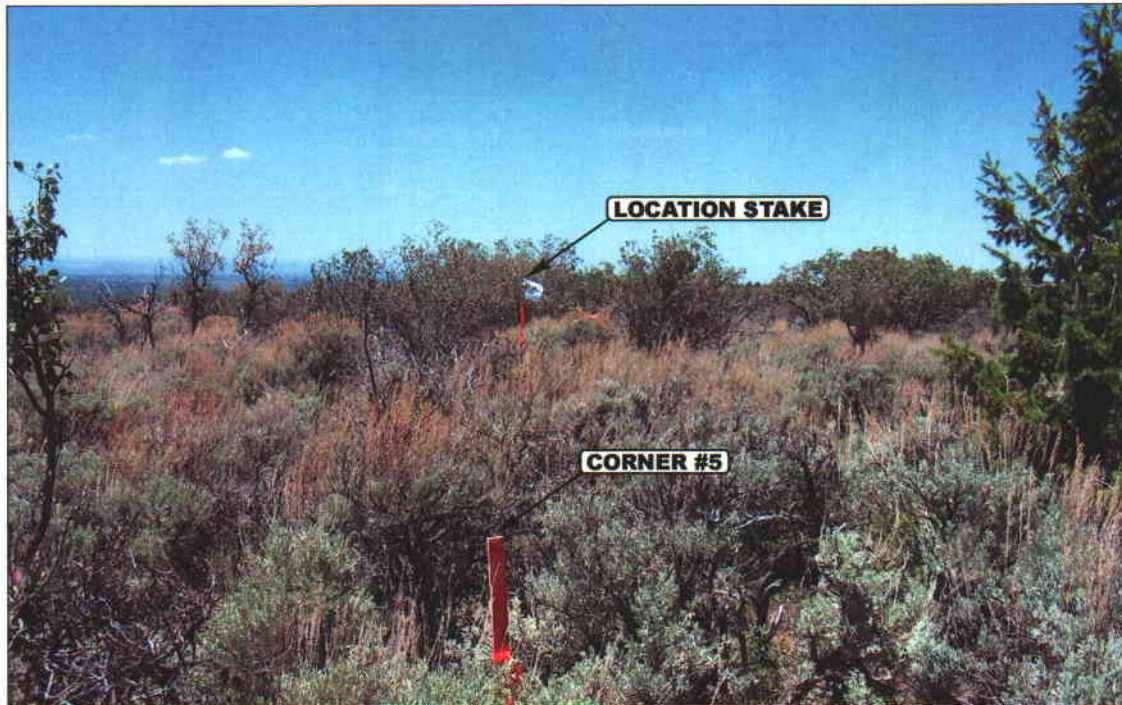


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

7 **10** **06**
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: J.L.G.

REVISED: 7-17-06

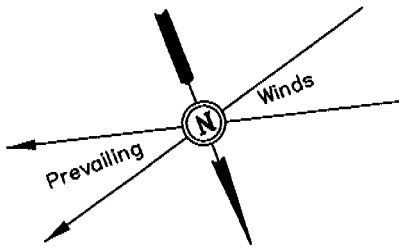
COCHRANE RESOURCES, INC.

LOCATION LAYOUT FOR

DIVIDE #32-32

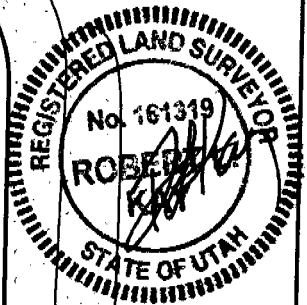
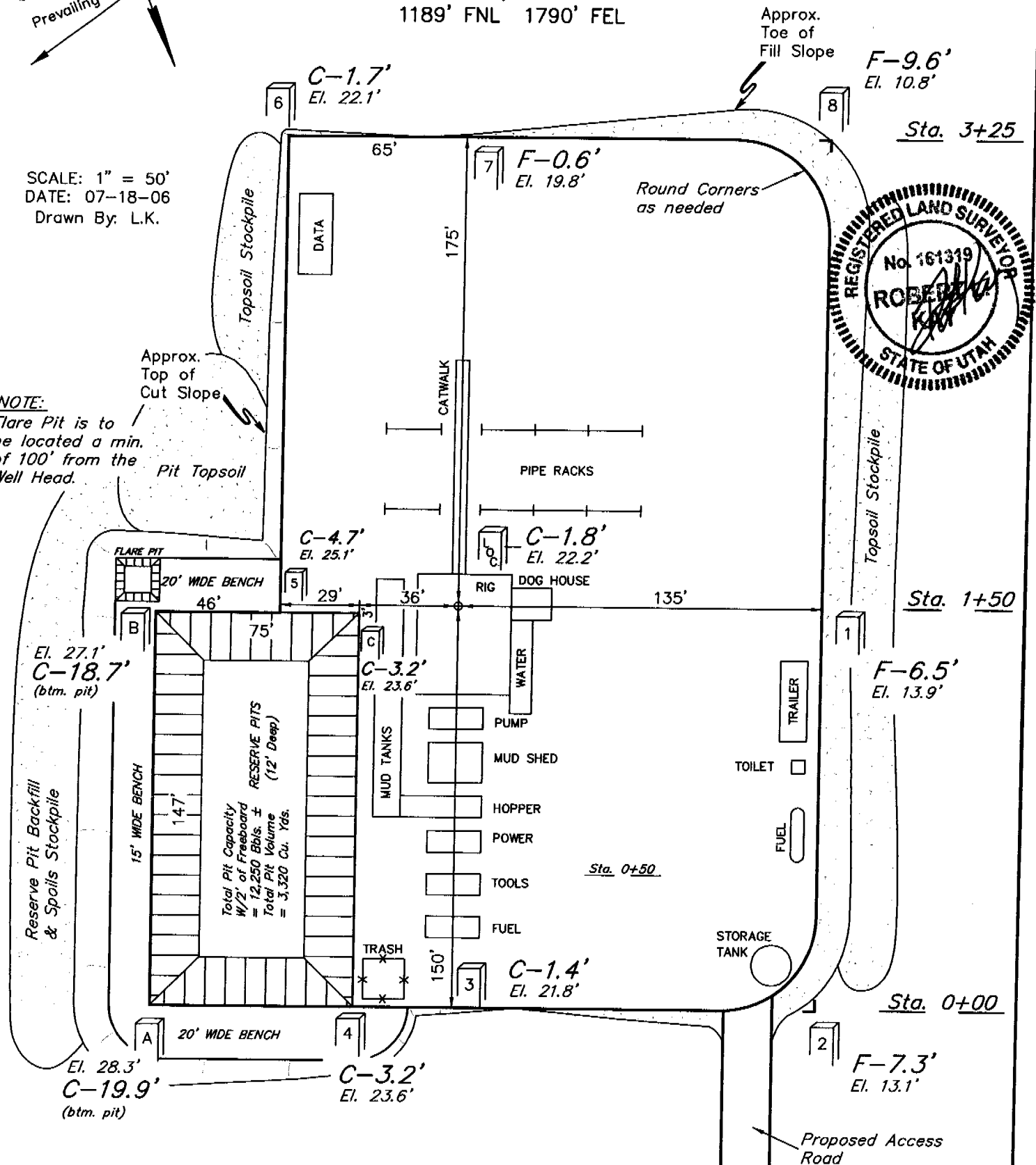
SECTION 32, T15 1/2S, R24E, S.L.B.&M.

1189' FNL 1790' FEL



SCALE: 1" = 50'
DATE: 07-18-06
Drawn By: L.K.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



Elev. Ungraded Ground at Location Stake = 8222.2'
Elev. Graded Ground at Location Stake = 8220.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

COCHRANE RESOURCES, INC.

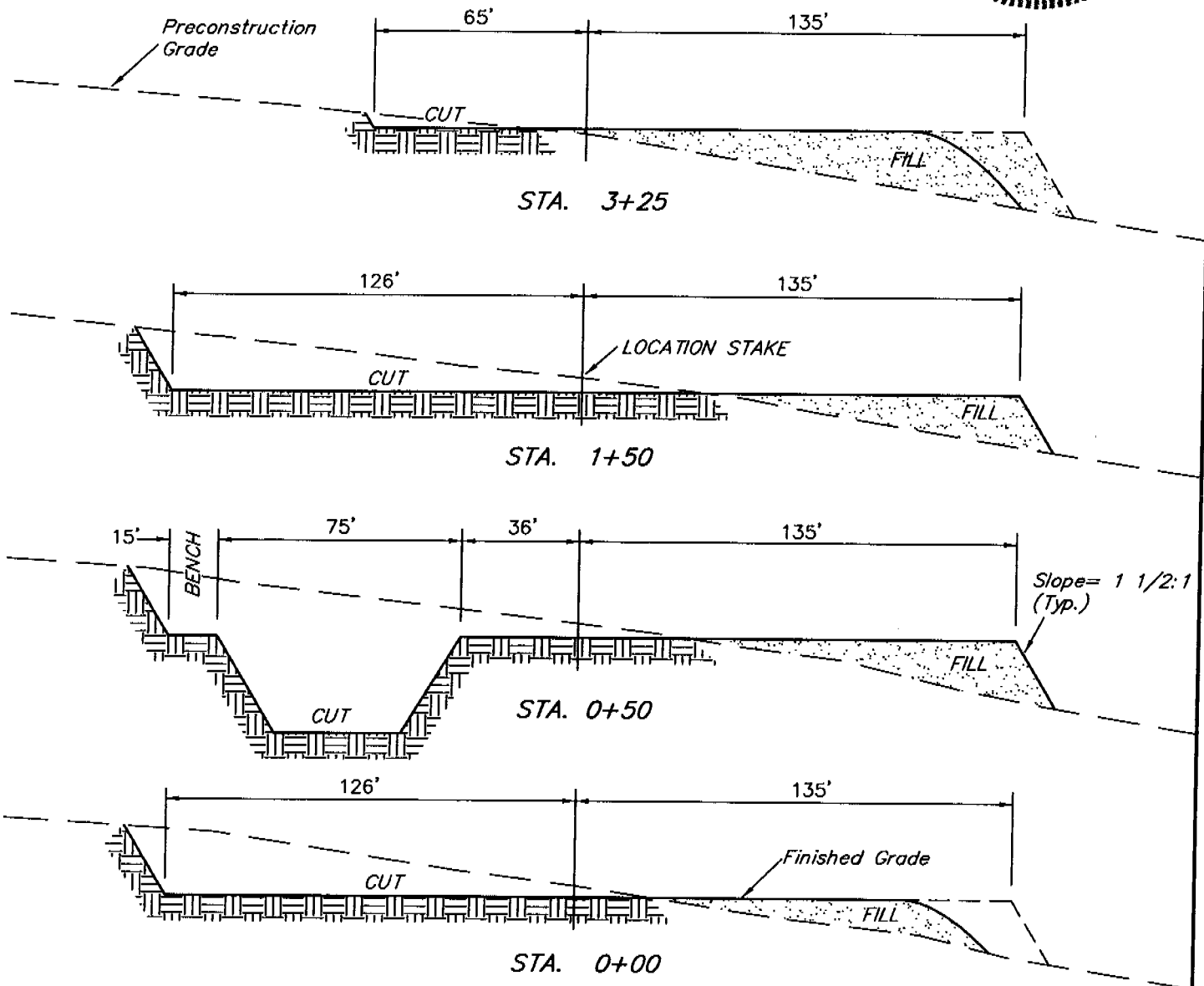
TYPICAL CROSS SECTIONS FOR

DIVIDE #32-32

SECTION 32, T15 1/2S, R24E, S.L.B.&M.
1189' FNL 1790' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 07-18-06
Drawn By: L.K.



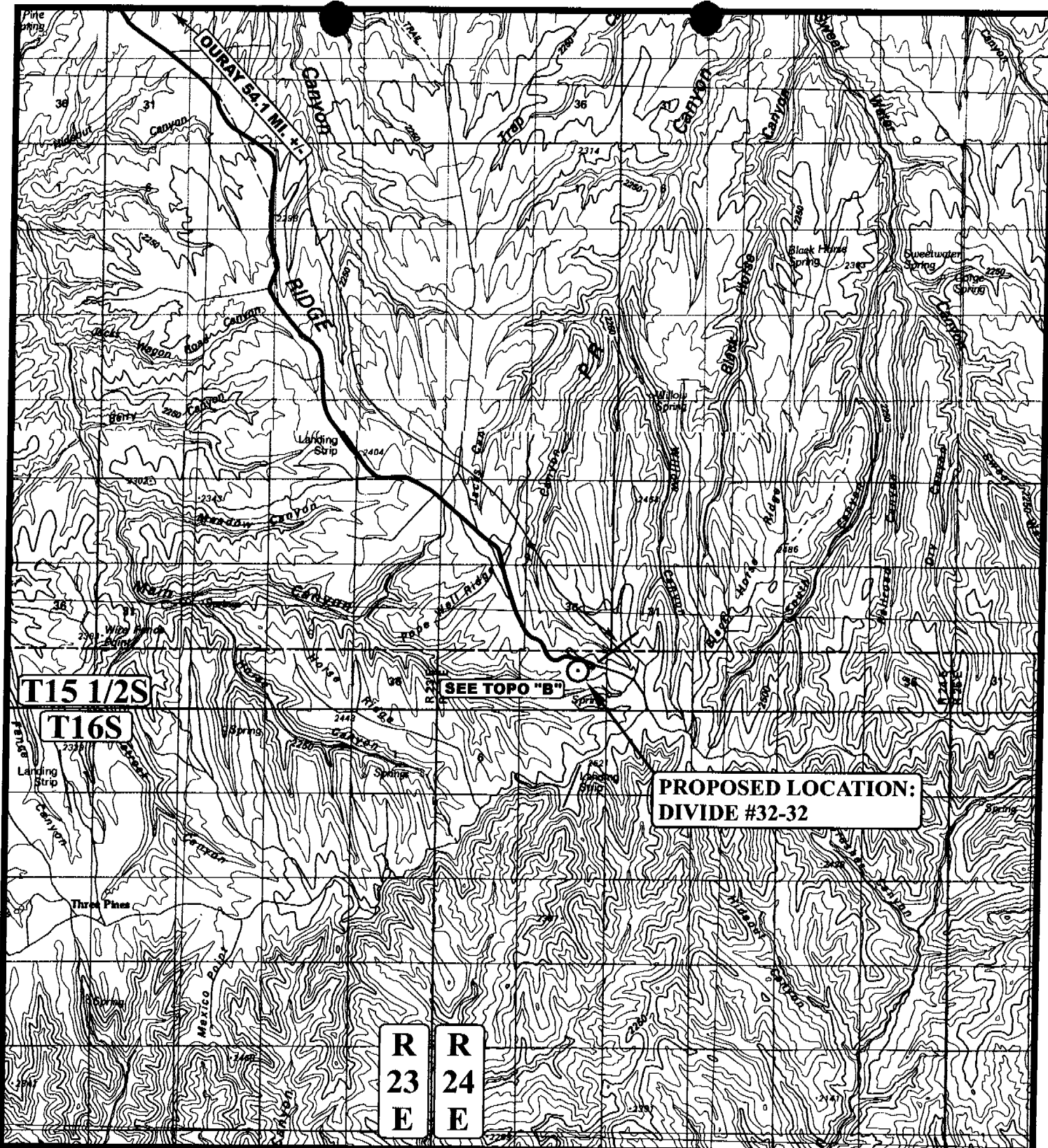
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,670 Cu. Yds.
Remaining Location = 8,130 Cu. Yds.
TOTAL CUT = 9,800 CU.YDS.
FILL = 6,470 CU.YDS.

EXCESS MATERIAL = 3,330 Cu. Yds.
Topsoil & Pit Backfill = 3,330 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



COCHRANE RESOURCES, INC.

DIVIDE #32-32

SECTION 32, T15 1/2S, R24E, S.L.B.&M.

1189' FNL 1790' FEL



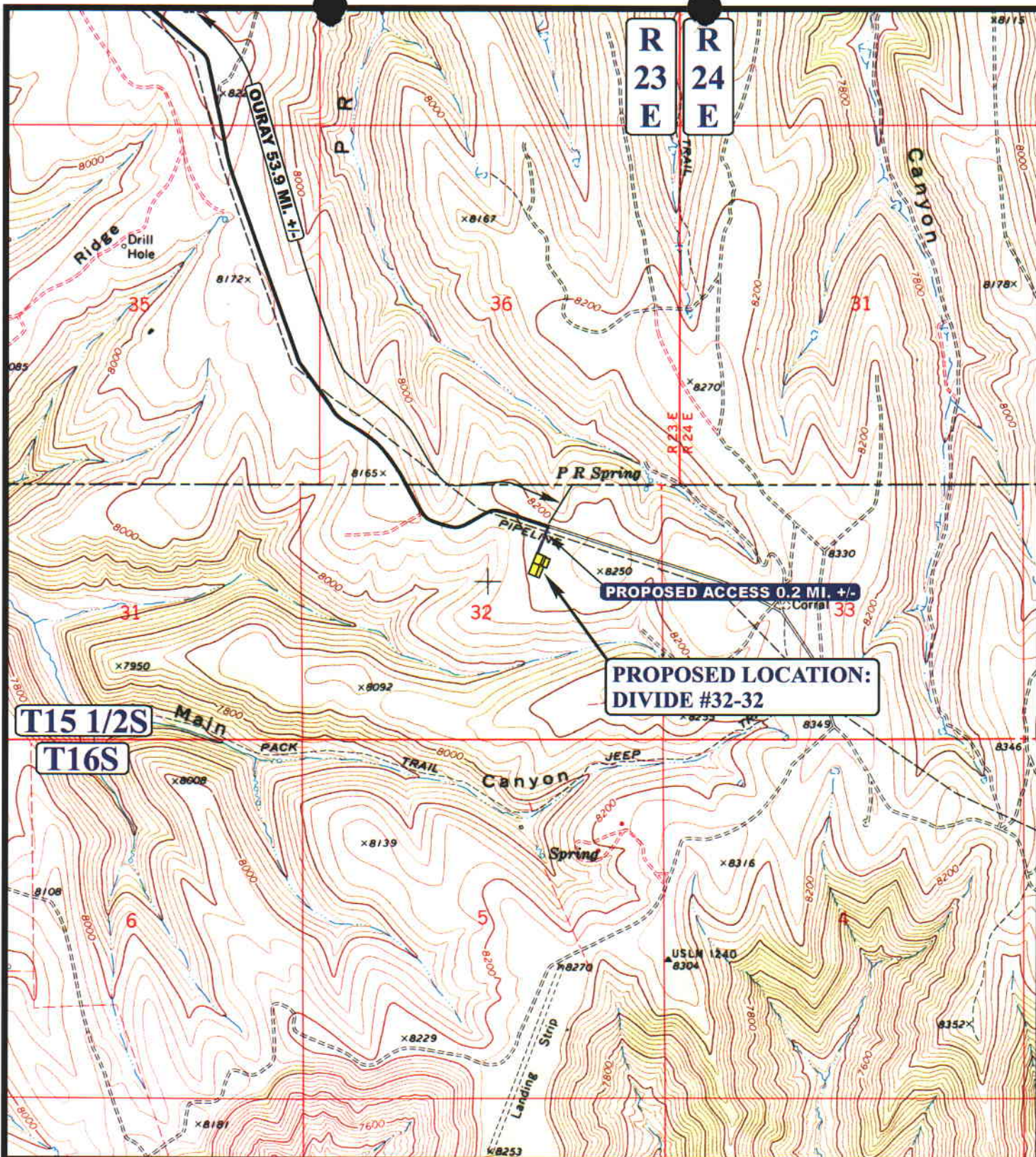
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

7	10	06
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 7-17-06

**A
TOPO**



LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD



COCHRANE RESOURCES, INC.

DIVIDE #32-32
SECTION 32, T15 1/2S, R24E, S.L.B.&M.
1189' FNL 1790' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

7 10 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 7-17-06

B
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/26/2006

API NO. ASSIGNED: 43-019-31487

WELL NAME: DIVIDE 32-32

OPERATOR: COCHRANE RESOURCES INC (N7015)

CONTACT: KEN ALLEN

PHONE NUMBER: 435-722-5081

PROPOSED LOCATION:

SENE 32 155S 240E

SURFACE: 1189 FNL 1790 FEL

BOTTOM: 1189 FNL 1790 FEL

COUNTY: GRAND

LATITUDE: 39.45907 LONGITUDE: -109.2891

UTM SURF EASTINGS: 647194 NORTHINGS: 4368910

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DVJ	9/12/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML 49572-OBA

SURFACE OWNER: 3 - State

PROPOSED FORMATION: DKTA

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 0279083950)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 43-10447)
- ☒ RDCC Review (Y/N)
(Date: _____)
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

____ R649-2-3.

Unit: _____

____ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

____ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

____ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (08-15-06)

STIPULATIONS:

- 1- Spacing Stip
- 2- STATEMENT OF BASIS
- 3- Surface Csg Cont Stip

BLACK HORSE
CANYON FED 3H

FEDERAL 3H-B
◇

BLACK HORSE
CANYON FIELD

T15S R23E

T15S R23E

DIVIDE 32-32
⊙

32

UTFEE 15.524-16-32
◇

OPERATOR: COCHRANE RES INC (N7510)

SEC: 32 T.15.5S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

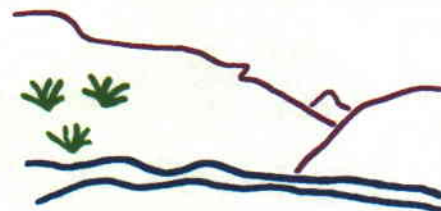
ABANDONED
ACTIVE
COMBINED
INACTIVE
PROPOSED
STORAGE
TERMINATED

Unit Status

EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PENDING
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Wells Status

GAS INJECTION
GAS STORAGE
LOCATION ABANDONED
NEW LOCATION
PLUGGED & ABANDONED
PRODUCING GAS
PRODUCING OIL
SHUT-IN GAS
SHUT-IN OIL
TEMP. ABANDONED
TEST WELL
WATER INJECTION
WATER SUPPLY
WATER DISPOSAL
DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 04-AUGUST-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: Cochrane Resources, Inc.
WELL NAME & NUMBER: Divide 32-32
API NUMBER: 43-019-31487
LOCATION: 1/4, 1/4 SENE Lot 5 Sec:32 TWP: 15 1/2S RNG: 24E 1189 FNL 1790 FEL

Geology/Ground Water:

A well at this location will likely spud into a poorly to moderately permeable soil formed on Tongue "A" of the Douglas Creek Member of the Green River Formation. Several springs are observed to occur at the base of Tongue A of the Douglas Creek Member of the Green River Formation in the area. Within a mile, water rights have been filed on several springs but there are no filings on underground sources of water. A few small streams flow in nearby canyons and draws. Records of water encountered during the drilling of nearby wells indicates that whatever flows existed were controlled with air/mist drilling significantly into the underlying Tertiary Wasatch Formation. One well drilled nearby and at nearly the same elevation didn't mud up until ~1,200' TD. The sparse, high quality ground water is an important resource for local ranching and wildlife in this elevated and incised terrain. Lost circulation may be encountered in the Mesa Verde Group in this area so the operator will likely prefer to drill with as light a mud system as possible. The Operator proposes to drill out from under surface casing (set @ 2,000' TD) with gel and water to 5,500' TD, at which time the mud will be converted to a KCL system for drilling to TD. In this area, the Base of Moderately Saline Ground Water is mapped to occur at ~4,500' above sea level and should therefore be encountered at ~3,700' TD in the well. The proposed casing and cementing program will not adequately isolate any zones of fresh water that may be penetrated below 2,000' TD because the surface casing string most likely does not protect all the aquifers above the Base of Moderately Saline Ground Water and the mud system will be converted to a KCL system. The proposed 2,000' of casing will merely case over the ~600' of surficial Green River column and ~1,400' of the subjacent Wasatch Formation. If it is necessary to limit salinity inputs in all ground water aquifers above the Base of Moderately Saline Ground Water in order to comply with standards for the Colorado River drainage established by the Colorado River Basin Salinity Control Forum (CRBSCF), then it may be necessary to limit drilling fluid systems to types that do not contribute any mineral salts to those aquifers.

Reviewer: Christopher J. Kierst **Date:** August 29, 2006

Surface:

On-site conducted August 15, 2006. In attendance: Bart Kettle (DOGM), Ken Allen (Cochrane), invited but choosing not to attend Ed Bonner (SITLA), Jim Davis (SITLA), Ben Williams (DWR), and Nathan Sill (DWR).

Proposed location lies within DWR classified "crucial" mule deer and elk summer range. Due to resource problems created as a result of previous drilling activities conducted during spring thaw, DOGM recommends that drilling be avoided if at all possible during the months of February through April. Due to proximity of several perennial springs, PR Springs and an unnamed spring, lining of the reserve pit will be required. Reserve pit should be fenced immediately upon the removal of the drilling rig. DOGM recommends care is taken during drilling and completion of the well to prevent reserve pit from becoming contaminated. Such measures will reduce clean-up requirements

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Cochrane Resources, Inc.

WELL NAME & NUMBER: Divide 32-32

API NUMBER: 43-019-31487

LEASE: State **FIELD/UNIT:** Wildcat

LOCATION: 1/4, 1/4 SENE Lot 5 Sec:32 TWP:15 1/2S RNG:24E 1189 FNL 1790 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X = E; Y = N **SURFACE OWNER:** SITLA

PARTICIPANTS

Bart Kettle (DOGM), Ken Allen (Cochrane)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is 55 miles southeast of Ouray, in Grand County Utah. The project is atop of the Bookcliffs divide located adjacent to the Seep Ridge road in an 18-20" precept zone. Mountain Browse rangelands cut by deep rocky pinion/juniper and Douglas fir canyons surround the project site. Topography to the south drops off quickly into a narrow band of P/J woodlands, with extensive salt scrub clay flats in the valley floor. Slopes are more gradual to the north, with extensive P/J woodlands eventually giving way to the salt scrub communities. Due to the dry nature of the surrounding terrain the divide portion of the Bookcliffs is classified as critical summer wildlife habitat. The Bookcliffs divide separates watersheds that drain to the north into Sweetwater Creek and the south into the Colorado River. The project is located near the top of a ridge within 2,500' of two known perennial springs. Drainages in the immediate area are ephemeral in nature, being dry throughout the warmer months of the year. Perennial and intermittent springs are located near the bottom of adjacent canyons, water bodies located near the ridge tops are predominantly dirt tanks developed to trap monsoon moisture for livestock watering. Access to the well site can be gained via the Hay Canyon road from the Grand Valley, or the Seep Ridge Road from the Uintah Basin.

SURFACE USE PLAN

CURRENT SURFACE USE: Early fall cattle grazing, quality big game summer range, seasonal hunting and general recreation, oil and gas development.

PROPOSED SURFACE DISTURBANCE: 266' x 325'

LOCATION OF EXISTING WELLS WITHIN 1 MILE RADIUS: Refer to GIS database.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities such as separators, dehydrators, flow meters and tanks will be located on-site. The Sales Gas line will be installed to the north staying on existing lease where it will be connected to an existing Canyon Gas pipeline.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: Trailers for drilling rig personal, service providers and company representative.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Utah Division of Wildlife Resources and area sportsmen have expressed concern as to the renewed and increased oil field related activity occurring in the Book cliffs. Increased exploration activities are view as having detrimental affects on existing high quality big game values. No specific comments are expected concerning this well.

WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in an acceptable trash container. Refuse will be transported to an approved sanitary landfill. Sewage will be handled in self-contained portable toilets and contents hauled off location to an authorized facility in accordance with State and local regulations.

Reserve pit will be fenced and lined with a 12-mil liner prior to use. Drill cuttings will be constrained in the reserve pit. Produced liquid hydrocarbons will be constrained in test tanks during completion and testing.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No floodplains or wetlands will be affected by the drilling of this well. Proposed location is located above two perennial springs within 2,500'. PR Springs is an area landmark, the other spring appears to be unnamed. Both springs appear capable of producing substantial quantities of high quality water.

FLORA/FAUNA: Elk, Mule Deer, Black Bear, Cougar, Bobcat, other small mammals, birds and reptiles.

Grasses: June grass, Mutton grass, Elk sedge, Lettermens needlegrass, Nevada blue grass, and other agropyron species. Forbs: Vetch, tapertip hawksbeard, blue flax, dandelion, silver lupine and western yarrow. Shrubs: Buckwheat, Alderleaf mountain mahogany, Utah service berry, antelope bitterbrush, Douglas rabbit brush, Wyoming sage, Common snowberry, and Gamble oak. Trees: Douglas Fir, Rocky Mountain Juniper.

SOIL TYPE AND CHARACTERISTICS: Dark brown Sandy Loam, sandstone fragments.

SURFACE FORMATION & CHARACTERISTICS: Green River formation. Alternating sandstone and shale layers cut by deep canyons. Soils are erosive in nature due to moderate litter/vegetation cover and steep slopes.

EROSION/SEDIMENTATION/STABILITY: Most of the project area lays in areas of loam, or sandy loam soils ranging from high to moderate potential for wind erosion. The project area has moderate water erosion potential. Soil erosion will increase during the initial construction phase of the project. Removal of vegetation and physical soil crust will reduce surface soil aggregates and therefore reduce soil stability. Loose

unstable berms of soil will be left along the roadside and water runoff patterns will be re-directed. These factors will contribute to increased potential for wind and water erosion. As vegetation recovers, and soil crusts are formed along the roadway soils will become more stable. Wind and water erosion rates would be partially reduced, but still accelerated from normal rates.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 75'x147'x12'

LINER REQUIREMENTS (Site Ranking Form attached): Liner Required

SURFACE RESTORATION/RECLAMATION PLAN

The pit will be backfilled when the contents have been sufficiently dewatered. If the well is productive areas not required for operations will be seeded. Noxious weeds will be controlled on the location in accordance with State guidelines. In the event of a dry hole the location will be re-contoured, the topsoil distributed evenly over the location and then re-seeded.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Class III Cultural Resource Inventory has been conducted.

OTHER OBSERVATIONS/COMMENTS

Cochrane Resources should participate with Uintah and Grand counties to control Black Henbane within the project area. DOGM recommends that drilling occur outside of the spring thaw if at all possible.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle
DOGM REPRESENTATIVE

August 17, 2006 10:51 A.M.
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>15</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 35 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

for reclamation of the reserve pit. Cochrane Resource should participate with Uintah and Grand counties to control Black Henbane in the project area as necessary.

Reviewer: Bart Kettle **Date:** August 17, 2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
2. Fence reserve pit upon the removal of drilling rig.





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[Business](#)



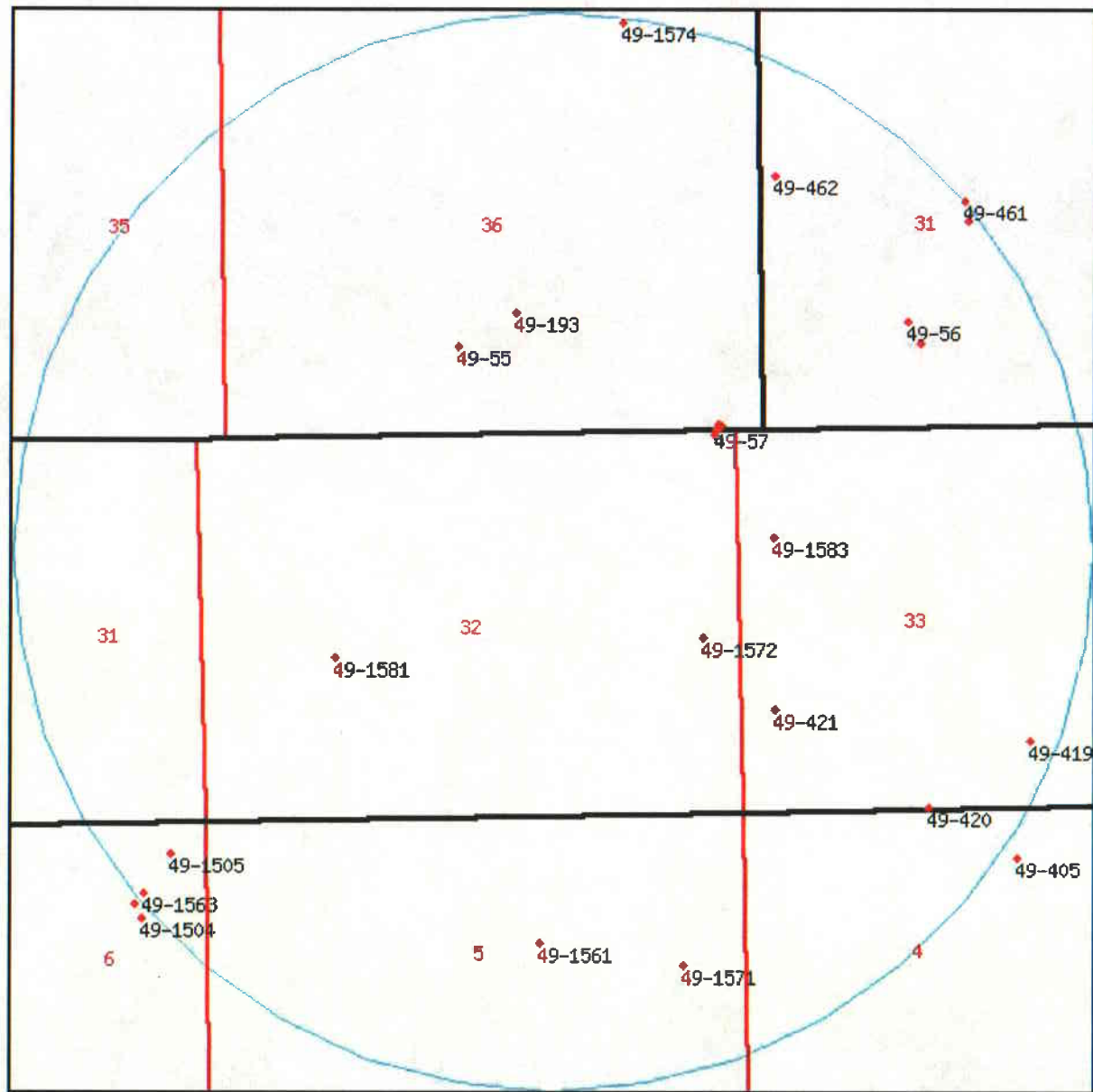
Search Utah.gov

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 08/29/2006 03:26 PM

Radius search of 5280 feet from a point S1189 W1790 from the NE corner, section 32, Township 15HS, Range 24E, SL b&m
Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all

**Water Rights**

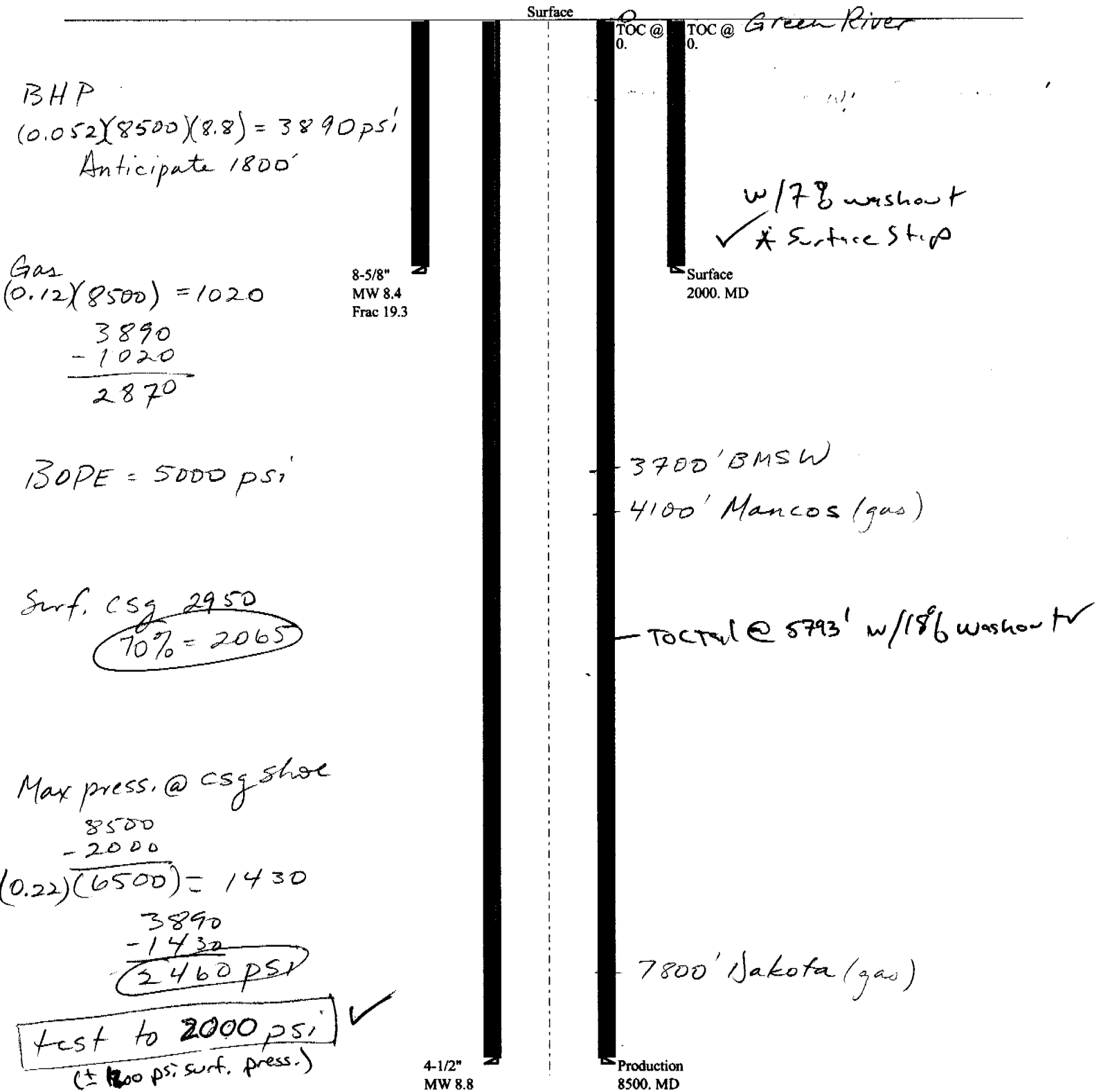
WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
01-1059	Surface S500 E20 N4 04 16S 24E SL		P	1861	S	0.000	0.250	MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
49-1504	Surface S940 W630 NE 06 16S 24E SL		P	18860000	S	0.050	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
49-1505	Surface S315 W340 NE 06 16S 24E SL		P	18860000	S	0.050	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
49-1508	Surface S40 W200 NE 32 15HS 24E SL		P	18860000	S	0.050	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
49-1561	Surface S1300 W2000 NE 05 16S 24E SL		U	19950801	DS	0.022	0.000	ALAMEDA CORPORATION PO BOX 22608
49-1562	Surface S800 W700 NE 06 16S 24E SL		U	19950801	DS	0.058	0.000	ALAMEDA CORPORATION PO BOX 22608
49-1563	Surface S700 W600 NE 06 16S 24E SL		U	19950801	DS	0.029	0.000	ALAMEDA CORPORATION PO BOX 22608
49-1571	Surface S1500 W600 NE 05 16S 24E SL		U	19950901	DS	0.001	0.000	ALAMEDA CORPORATION PO BOX 22608
49-1572	Surface N1700 W400 SE 32 15HS 24E SL		U	19950901	DS	0.004	0.000	ALAMEDA CORPORATION PO BOX 22608

49-1574	Surface S1300 W1300 NE 36 15S 23E SL	U	19950901 DS	0.001 0.000	ALAMEDA CORPORATION PO BOX 22608
49-1581	Surface N1600 E1250 SW 32 15HS 24E SL	U	19950901 DS	0.004 0.000	ALAMEDA CORPORATION PO BOX 22608
49-1583	Surface N2689 E280 SW 33 15HS 24E SL	P	19950914 DS	0.011 0.000	ALAMEDA CORPORATION PO BOX 22608
49-193	Surface N1148 W2430 SE 36 15S 23E SL	P	19551224 S	0.025 0.000	PRUITT GUSHEE, A PROFESSIONAL CORPORATION 48 WEST MARKET STREET, SUITE 300
49-196	Surface N61 W431 SE 36 15S 23E SL	P	19551224 S	0.021 0.000	PRUITT GUSHEE, A PROFESSIONAL CORPORATION 48 WEST MARKET STREET, SUITE 300
49-262	Surface N43 W403 SE 36 15S 23E SL	P	19650910 DS	0.011 0.000	USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
49-405	Surface S500 E20 N4 04 16S 24E SL	P	18610000 S	0.000 0.250	VERNAL DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
49-419	Surface N600 W2500 SE 33 15HS 24E SL	P	1861 OS	0.000 0.250	VERNAL DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
49-420	Surface N50 E1800 SW 33 15HS 24E SL	P	1861 OS	0.000 0.250	VERNAL DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST
49-421	Surface N1000 E300 SW 33	P	1861 OS	0.025 0.000	VERNAL DISTRICT USA BUREAU OF LAND MANAGEMENT 170 SOUTH 500 EAST

15HS 24E SL						
49-459	Surface	P	1861	OS	0.035 0.000	USA BUREAU OF LAND MANAGEMENT
	N800 W1100 S4 31 15S 24E SL					2370 SOUTH 2300 WEST
49-460	Surface	P	1861	OS	0.000 0.250	USA BUREAU OF LAND MANAGEMENT
	N2000 W650 S4 31 15S 24E SL					2370 SOUTH 2300 WEST
49-461	Surface	P	1861	OS	0.000 6.100	USA BUREAU OF LAND MANAGEMENT
	S400 E2000 W4 31 15S 24E SL					2370 SOUTH 2300 WEST
49-462	Surface	P	1861	OS	0.000 0.250	USA BUREAU OF LAND MANAGEMENT
	S150 E150 W4 31 15S 24E SL					2370 SOUTH 2300 WEST
49-55	Surface	P	19150903	S	0.002 0.000	JOHN S. PURDY
	N901 E2283 SW 36 15S 23E SL					DRAGON UT
49-56	Surface	P	19150903	S	0.002 0.000	JOHN S. PURDY
	N1067 E1420 SW 31 15S 24E SL					DRAGON UT
49-57	Surface	P	19150903	S	0.002 0.000	JOHN S. PURDY
	0 W450 SE 36 15S 23E SL					DRAGON UT

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Casing Schematic



Well name:	09-06 Cochrane Resources Divide 32-32	
Operator:	Cochrane Resources, Inc.	Project ID:
String type:	Surface	43-019-31487
Location:	Southern Uintah Basin	

Design parameters:
Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,748 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,500 ft
Next mud weight: 8.800 ppg
Next setting BHP: 3,886 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	96.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570 ✓	2000	2950	1.48 ✓	42	244	5.82 J ✓

Prepared by: Helen Sadik-Macdonald
Utah Div. of Oil & Mining

Phone: 801-538-5357
FAX: 801-359-3940

Date: September 12, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	09-06 Cochrane Resources Divide 32-32	
Operator:	Cochrane Resources, Inc.	Project ID:
String type:	Production	43-019-31487
Location:	Southern Uintah Basin	

Design parameters:
Collapse

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 194 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 2,866 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 3,886 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 7,382 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8500	4.5	11.60	N-80	LT&C	8500	8500	3.875	197
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3886	6350	1.634 ✓	3886	7780	2.00 ✓	86	223	2.60 J ✓

Prepared by: Helen Sadik-Macdonald
Utah Div. of Oil & Mining

Phone: 801-538-5357
FAX: 801-359-3940

Date: September 6, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8500 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Cochrane Resources, Inc.

PO Box 1656

Roosevelt, Utah 84066

Telephone (435) 722-5081

No of Pages: _____

Fax (435) 722-4473

Date: Sept 7 2006.To: Helen Sadik McDonald.From: Ken Allen

Attached is the information we discussed.
I re-did the Front page of the application to
drill correcting cement yield and showing the number
of sks for the Surface Csg.

Please advise if you need additional information.

Ken Allen

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 49572-0BA	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Cochrane Resources, Inc.				9. WELL NAME and NUMBER: Divide 32-32	
3. ADDRESS OF OPERATOR: PO Box 1656 Roosevelt UT 84066				10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1189' FNL 1790' FEL Lot 5 AT PROPOSED PRODUCING ZONE:				11. QTR/4TH, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 32 15 1/4 24 E Lot 5 SLB+M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 55 Miles South of Ouray, UTAH				12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 480'	16. NUMBER OF ACRES IN LEASE: 999.55		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 103		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 8,500		20. BOND DESCRIPTION:		
21. ELEVATIONS (SHOW WHETHER DF, RT, QR, ETC.): 8222 GR	22. APPROXIMATE DATE WORK WILL START: 9/15/2006		23. ESTIMATED DURATION: 20 Days		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	8 5/8" J55 24#	2,000	class G	850 sks	1.26 cu.ft/sk	14.6 #/gal
			cement to surface			
6 1/4"	4 1/2" 11.6# N-80	8,500	Lead 450 sk	11.6# per gal	Hyfill	
			6000' to surface	3.84 cu.ft/sk		
			Tail 400 sk	14.6# per gal	50-50 POZ	
			TD - 6000"	1.26 cu.ft/sk		

25.

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAN OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Ken AllenTITLE PresidentSIGNATURE *Ken Allen*DATE 9/7/2006

(This space for State use only)

API NUMBER ASSIGNED: _____

APPROVAL: _____

(11/2001)

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-18-06By: *[Signature]*

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DIV. OF OIL, GAS & MINING

T15 1/2S, R24E, S.L.B.&M.

COCHRANE RESOURCES, INC.

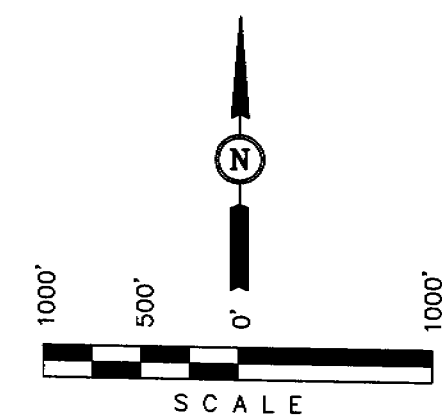
Well location, DIVIDE #32-32, located as shown in Lot 5 of Section 32, T15 1/2S, R24E, S.L.B.&M., Grand County, Utah.

BASIS OF ELEVATION

HORN TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 26, T15S, R23E, S.L.B.&M. TAKEN FROM THE P R SPRING, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8200 FEET.

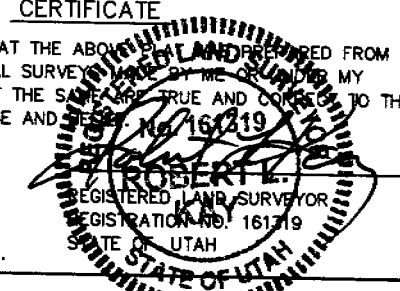
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

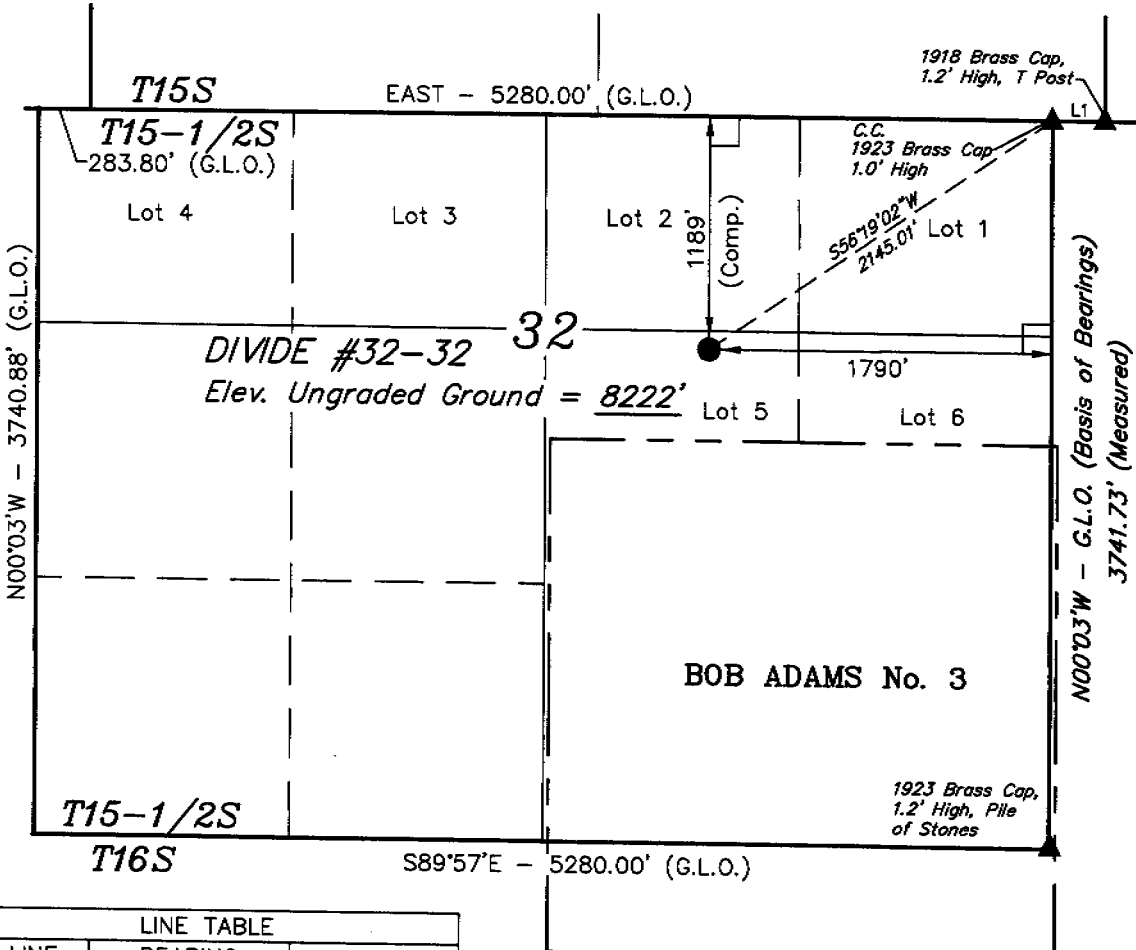
THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 07-18-06 L.K.

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 06-30-06	DATE DRAWN: 07-03-06
PARTY N.H. D.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COCHRANE RESOURCES, INC.	

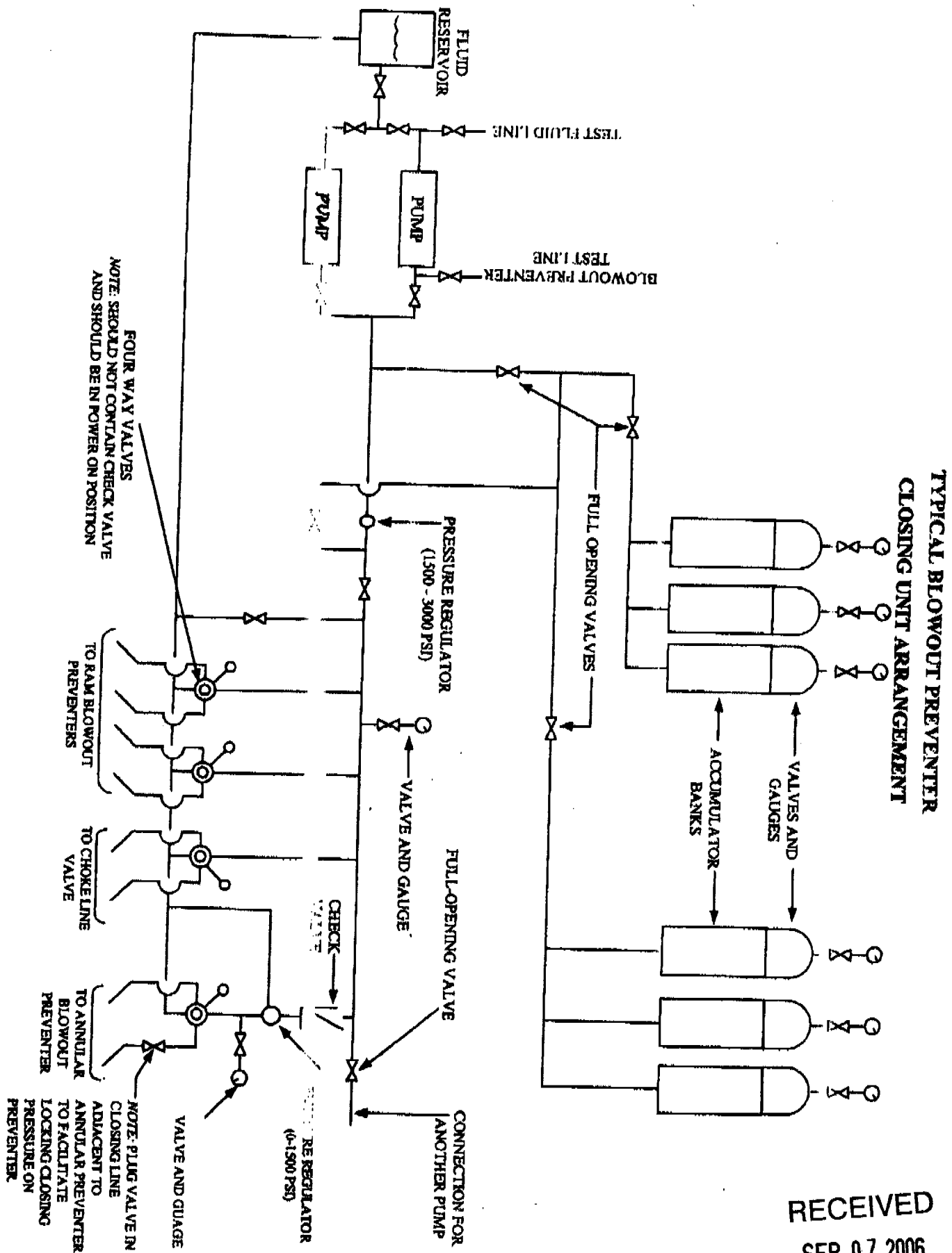


LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°55'34"W	270.99'

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°27'32.50" (39.459028)
 LONGITUDE = 109°17'22.81" (109.289669)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°27'32.60" (39.459056)
 LONGITUDE = 109°17'20.39" (109.288997)



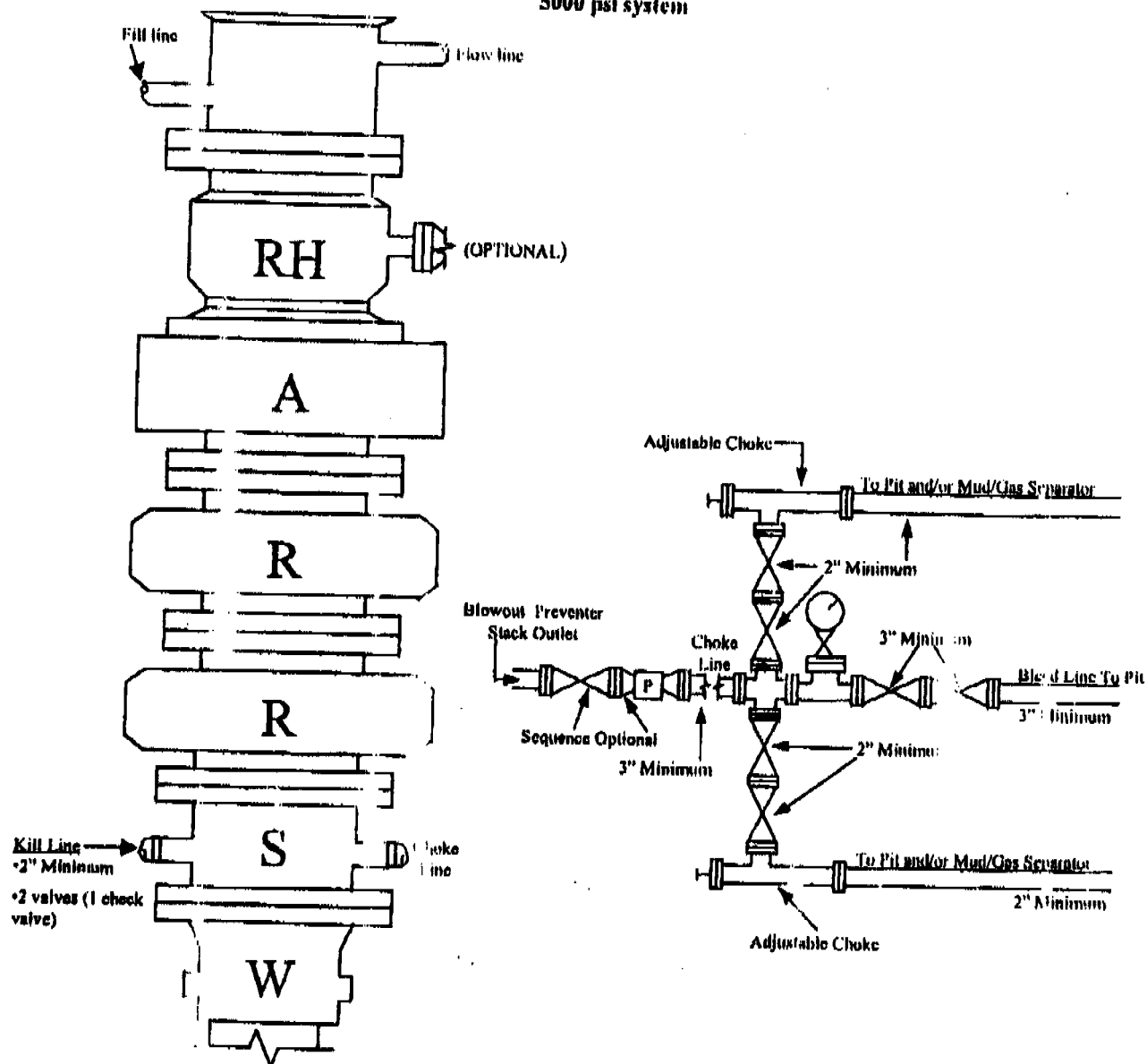
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DOUBLE RAM TYPE PREVENTERS WITH AN OPTIONAL ROTATING HEAD

5000 psi system



* Note: Kill line shall be 2" minimum diameter and have two valves, one of which shall be a check valve. Both valves 2" minimum.

Minimum BOP Stack

One Pipe Ram

One Blind Ram

One Annular

Well Head

Manifold

5000 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

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CULTURAL RESOURCE INVENTORY OF
DOLAR ENERGY'S PROPOSED
COCHRANE DIVIDE #32-32 WELL LOCATION
(TOWNSHIP 15 ½ SOUTH, RANGE 24 EAST, SEC. 32)
GRAND COUNTY, UTAH

Kiera Simms

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**CULTURAL RESOURCE INVENTORY OF
DOLAR ENERGY'S PROPOSED
COCHRANE DIVIDE #32-32 WELL LOCATION
(TOWNSHIP 15 ½ SOUTH, RANGE 24 EAST, SEC. 32)
GRAND COUNTY, UTAH**

By:

Kiera Simms

Prepared For:

**State of Utah
School and Institutional
Trust Lands Administration**

Prepared Under Contract With:

**Dolar Energy L.L.C.
935 East South Union Avenue, Suite D-202
Midvale, Utah 84047-2393**

Prepared By:

**Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532**

MOAC Report No. 06-419

August 11, 2006

**United States Department of Interior (FLPMA)
Permit No. 06-UT-60122**

**State of Utah Antiquities Project (Survey)
Permit No. U-06-MQ-1192s**

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INTRODUCTION

A cultural inventory was conducted by Montgomery Archaeological Consultants, Inc (MOAC) in August of 2006 for Dolar Energy's proposed Cochrane Divide #32-32 well location with associated access corridor. The project area is located in Main Canyon, south of PR Spring in Grand County, Utah. The survey was implemented at the request of Mr. Mark Dolar, Dolar Energy, Midvale, Utah. A total of 11.5 acres was surveyed, all of which occur on lands administered by the State of Utah School and Institutional Trust Lands Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on August 11, 2006 by Keith R. Montgomery, Principal Investigator, under the auspices of U.S.D.I. (FLPMA) Permit No. 06-UT-60122, and State of Utah Antiquities Permit (Survey) No. U-06-MQ-1192s issued to MOAC.

A file search for previous cultural resource inventories and archaeological sites was conducted by Marty Thomas at the Utah State Division of History on August 10, 2006. This consultation indicated that several previous archaeological projects have been completed near the current project area.

In 1983, Grand River Consultants surveyed a pipeline for Northwest Pipeline Corporations Dwayne Upton # 1; no cultural resources were documented (Babcock and Hartley 1983, Report No. U-82-MQ-032). In 1992, Archeological-Environmental Research Corporation (AERC) reported on its 1990 and 1991 cultural evaluations in eastern Utah for the Seep Ridge-Book Cliffs highway route and four alternate corridors (Hauck 1992, Report No. U-91-AF-0301). A total of 44 new archaeological sites were recorded, and an additional 33 previously recorded sites were relocated. The sites consisted of rock art, rock shelters, lithic scatters, habitations, temporary camps, an Ute burial, European American surface and dugout occupations, roadways, a historic cabin, a historic mine, a railroad, and historic inscriptions. Of the 77 total sites, 58 were evaluated as eligible for inclusion to the NRHP. None of these sites occur within the immediate project area.

In 2003, Montgomery Archaeological Consultants inventoried a pipeline for Trigon Sheehan that crosses near the current project area (Nicholson and Montgomery 2003, Report No. U-03-MQ-0753). Cultural resources found in the area include an eligible lithic scatter (42Gr3329), and six isolated finds of artifacts. In 2004, MOAC conducted a survey for the original Cochrane Divide #1 Well Location. This survey reveal no cultural sites (Montgomery 2004, Report No. U-05-MQ-1108s). Cultural resources found in the area include an eligible lithic scatter (42Gr3329) and six isolated finds of artifacts. In 2005, MOAC conducted an inventory for Dolar Energy's proposed Cochrane Divide #1 (Alternate) well location, which resulted in the documentation of no new cultural resources (Montgomery and Silverman 2005, Report No. U-05-MQ-0610s). In summary, no previously recorded sites occur in the current project area.

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DESCRIPTION OF PROJECT AREA

Dolar Energy's proposed Cochrane Divide #32-32 well location is located near PR Spring in Main Canyon, Grand County, Utah. The legal description is Township 151/2 South, Range 24 East, Section 32 (Table 1, Figure 1).

Table 1. Dolar Energy's Proposed Cochrane Divide #32-32 Well Location.

Table 1. Dolar Energy's Proposed Cochrane Divide #32-32 Well Location.			
Cochrane Divide #32-32	NW/SE of Section 32 T15 1/2S. R24E	Access: 438 ft.	None

Environmental Setting

The project area lies within the Bookcliffs-Roan Plateau physiographic unit, characterized by a system of linear cliffs (Stokes 1986:231). Geology of the area is comprised of Tertiary age deposits (65 to 2 million years ago), including the Flagstaff and Green River Formations. The Flagstaff Formation represents deposits from Lake Flagstaff, that disappeared during the middle Eocene. The Green River Formation consists of claystone, sandstone, and carbonate beds deposited during deep water to marginal alluvial conditions, and is known for its oil shale content (Stokes 1986). Soil is gravelly to cobbly brown sandy loam.

Situated in the Upper Sonoran Life Zone, the elevation of the project area is 8200 feet a.s.l. The project occurs within a pinyon-juniper woodland with an understory of sagebrush and assorted grasses. The area is well-watered by numerous springs and streams. Modern disturbances to the landscape include oil/gas development, roads, and livestock grazing.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the proposed well location, a ten acre area centered on the well pad center stake was surveyed by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The associated access corridor was surveyed to a width of 61 m (200 ft) by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. Ground visibility was considered to be good. A total of 11.5 acres was inventoried for cultural resources on SITLA land.

RESULTS AND RECOMMENDATIONS

The cultural resource inventory for Dolar Energy of the proposed Cochrane Divide #32-32 well location resulted in the documentation of no cultural resources. Based on the findings, a determination of "no historic properties affected" is recommended for the undertaking pursuant to Section 106, CFR 800.

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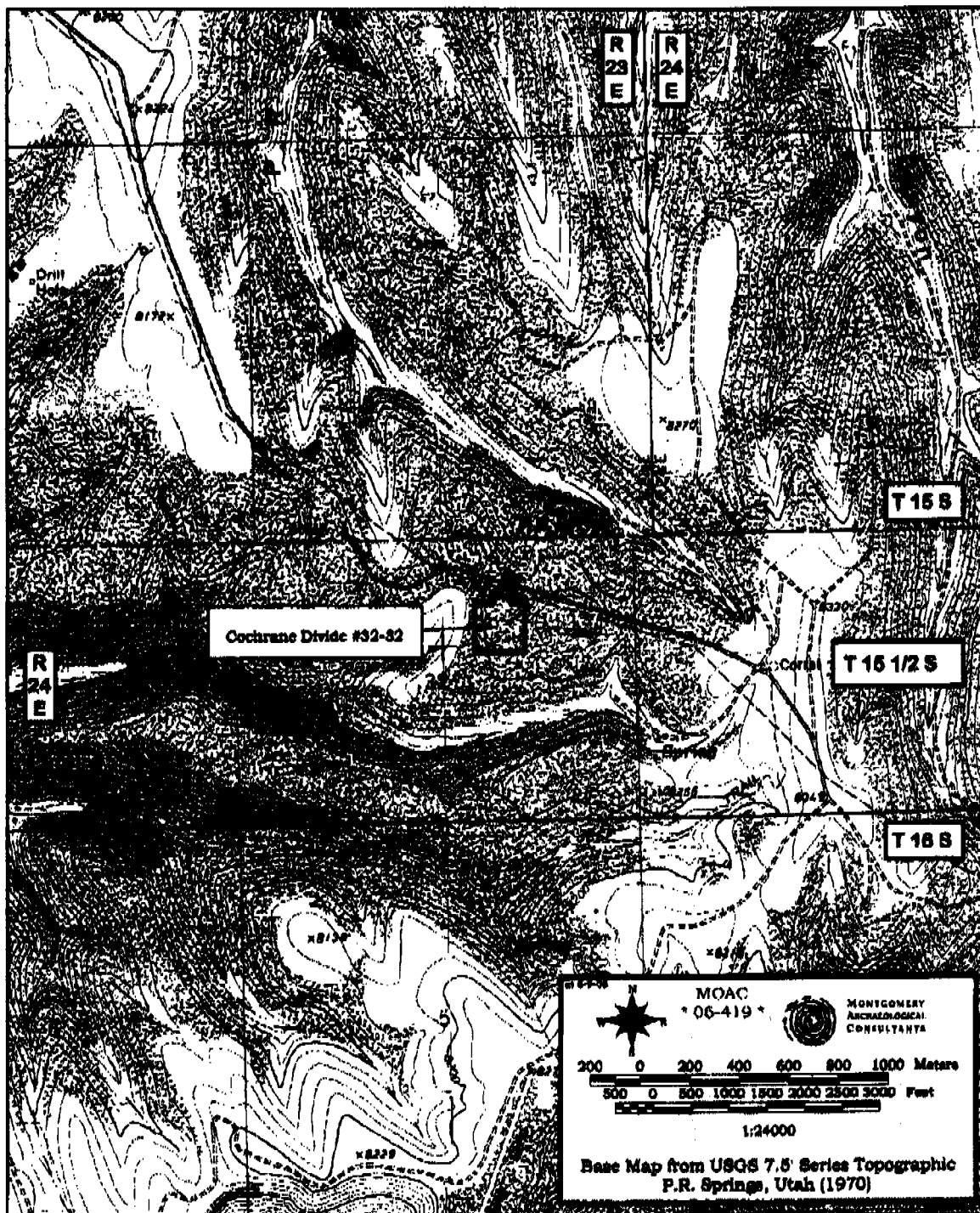


Figure 1. Inventory Area of the Cochrane Divide #32-32 Well Location, Grand County, Utah.

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DIV. OF OIL, GAS & MINING

REFERENCES CITED

Babcock, T.R., and J.D. Hartley

1983 Archaeological Survey of Northwest Pipeline Corporation's Well Tie to Dwayne Upton #1, Grand County, Utah. Grand River Consultants, Inc., Report No. 82-UT-032.

Hauck, F.R.

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Montgomery, K.R. and S.M. Silverman

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Montgomery, K. R.

2004 Cultural Resource Inventory of Cochrane Resources Proposed Divide #1 Well Location, Grand County, Utah. Montgomery Archaeological Consultants, Inc., Moab. Report No. U-04-MQ-1108s.

Nicholson, C.M., and K. Montgomery

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Stokes, W.L.

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RECEIVED

SEP 07 2006

DIV. OF OIL, GAS & MINING

COCHRANE RESOURCES, INC.

Engineering
Wellsite Supervision
Lease Operating

PO Box 1656
Roosevelt, Utah 84066
Phone (435) 722-5081
Cell (435) 722-9448

September 12, 2006

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Permit to Drill
Cochrane Divide 32-32

Attn: Diana Whitney

Dear Diana:

Cochrane Resources would like to request a spacing exception for the subject well. Section 32 is a short section with a mining claim in the SE corner. Keeping the well 460' from the lease boundary put it off the spaced area for the 40 acres (SWNE). Cochrane Resources, Inc. is the only lease owner within a 460' radius of the well.

Thank you for your consideration.

Yours truly,



Ken Allen

RECEIVED
SEP 12 2006
DIV. OF OIL, GAS & MINING

From: LaVonne Garrison
To: Diana Whitney
Date: 9/12/2006 9:58:57 AM
Subject: Well Clearance

The following well has archeology clearance from SITLA for drilling purposes:

Divide 32-32

CC: Ed Bonner



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 18, 2006

Cochrane Resources, Inc.
P.O. Box 1656
Roosevelt, UT 84066

Re: Divide 32-32 Well, 1189' FNL, 1790' FEL, NW SE, Sec. 32, T. 15 South,
R. 24 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31487.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

cc: Grand County Assessor
SITLA

Operator: Cochrane Resources, Inc.
Well Name & Number Divide 32-32
API Number: 43-019-31487
Lease: ML 49572-OBA

Location: SE NE Sec. 32 T. 15 South R. 24 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Surface casing shall be cemented to the surface.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 18, 2006
AMENDED

Cochrane Resources, Inc.
P.O. Box 1656
Roosevelt, UT 84066

Re: Divide 32-32 Well, 1189' FNL, 1790' FEL, NW SE, Sec. 32, T. 15 1/2 South,
R. 24 East, Grand County, Utah

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This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31487.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

mf
Enclosures

cc: Grand County Assessor
SITLA

Operator: Cochrane Resources, Inc.
Well Name & Number Divide 32-32
API Number: 43-019-31487
Lease: ML 49572-OBA

Location: NW SE Sec. 32 T. 15 1/2 South R. 24 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

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- 24 hours prior to spudding the well
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6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Surface casing shall be cemented to the surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Cochrane Resources Inc. Operator Account Number: N 7015
 Address: P.O. box 1656
city Roosevelt
state ut zip 84066 Phone Number: (435) 722-5081

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931487	COCHRANE DIVIDE 32-32		SENE	32	15.	24E	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15694	9/22/2006		10/12/06		
Comments: <u>DKTA</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Ken Allen
 Name (Please Print)
[Signature]
 Signature
President
 Title
OCT 5 2006
 Date

(8/2006)

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OCT 06 2006

DIV. OF OIL, GAS & MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

9. API NUMBER:
4301931487

10 FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
SWNE 32 15 24

12. COUNTY Grand	13. STATE UTAH
---------------------	-------------------

☒ 17. ELEVATIONS (DF, RKB, RT, GL):
8222 GL

NY? *	21. DEPTH BRIDGE PLUG SET:	MD TVD
-------	-------------------------------	-----------

23.

WAS WELL CORED?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	(Submit analysis)
WAS DST RUN?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	(Submit report)
DIRECTIONAL SURVEY?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	(Submit copy)

[illegible]

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7.719	0						

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Dakota-Cdr Mtn					7.742 7.776	.48	60	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
7742' - 7776'	500 gals 15% HCL

30. WELL STATUS:

Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 12/10/2006		TEST DATE: 12/12/2006		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 2		GAS – MCF: 1,514		WATER – BBL: 2		PROD. METHOD: Flow							
CHOKE SIZE: 19/64		TBG. PRESS. 690		CSG. PRESS. 770		API GRAVITY		BTU – GAS 1,095		GAS/OIL RATIO 1,009		24 HR PRODUCTION RATES: →		OIL – BBL: 2		GAS – MCF: 1,514		WATER – BBL: 2		INTERVAL STATUS: Producing	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold & Fuel

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Dakota Cedar Mt	7,710	7,780	Natural Gas	Mesaverde	2,148
				Buck Tongue	3,668
				Castlegate SS	3,855
				Mancos B	4,008
				Mancos	5,400
				Dakota Silt	7,491
				Cedar Mountain	7,710
				Morrison	7,780

35. ADDITIONAL REMARKS (Include plugging procedure)

No cores or tests on well.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Ken AllenTITLE PresidentSIGNATURE DATE 12/26/2006

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

COCHRANE RESOURCES, INC

P.O. BOX 1656
ROOSEVELT UTAH
84066

OFF 435 722 5081
FAX 435 722 4473
CELL 435 722 8448

T 15.55 R 24E S32
43-019-31487

DAILY DRILLING REPORT

LEASE NAME & WELL NO. DIVIDE # 32-32				FIELD EXPLORATORY		DATE September 27, 2006	
RIG NAME AND NUMBER LOBO # 100				COUNTY GRAND COUNTY, UT		STATE UT	
TOTAL DEPTH 54		Feet	Core Rec. No.	FOOTAGE DRILLED 40 14"		LAST CASING SIZE, WEIGHT, GRADE 40 FT	
ACTIVITY AT REPORT TIME RIGGING UP ROTARY RIG				REPORTED BY D-DAY		Report No. from report 0	
REMARKS						AS TO GL 13.9	
TIME LOG							
TO		HOURS		Activity Detail		API NO. 43-019-31487	
6:00		18:00		12:00		MOVEING AND RIGGING UP ON NEW LOCATION, (SECOND DAY)	
18:00		6:00 AM		12		WAIT ON DAYLIGHT	
CREWS WERE HAVING SOME TROUBLE OF ROADING UNIT TO NEW LOCATION, ENGINE OVER HEATING AND POWER STERNING NOT WORKING .							
ON 9/22/2006 PETE MARTIN RAT HOLE RIG MOVED IN AND SPUD WITH 18" BIT AT 12:00 NOON, DRILLED 40 FT SET 40 FT OF 14" CONDUCTOR, CEMENTED WITH 2.5 YARDS' OF READY MDX, DRILLED RAT HOLE AND-MOUSE HOLE, JOB COMPLET 9/22/2006							
						STRING WT	
						UP	
						DOWN	
						ROTATE	
						24.00	
MUD RECORD			MUD MATERIALS USED			BIT RECORD	
DEPTH			NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.		
TIME					SIZE		
WEIGHT					MFG		
VIS					TYPE		
WL					JET		
PV/VP					SERIAL NO.		
H2S					DEPTH OUT		
CA					DEPTH IN		
GELS					TOTAL FEET		
ALK					HRS		
pH					ROP(fph)		
CAKE					WT. ON BIT		
CL			DAILY COST	\$0.00	RPM		
KCL %	1.000%		PREVIOUS COST	\$0.00	Cond.		
K Ion			CUMULATIVE COST	\$0	AN VEL		
DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	3	DEPTH	INCLINATION
			MAKE	IDECO	G-D		
			MODEL	JUL-01	PZ7		
			STROKE	15.0	7.0		
			LINER SIZE	5.5	5.5		
			SPM				
			GPM				
			SURF PRESSURE				
			BCD			DAILY WELL COST	\$77,044
			SLOW PUMP- SPM			PREVIOUS CUM COST	\$0
			SLOW PUMP- PRES			CUMULATIVE WELL COST	\$77,044
U:\PROD\DRILLG.XLS			BHA		0.00		

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JAN 16 2007
DIV. OF OIL, GAS & MINING

\$240,398

OFF 435 722 5081
FAX 435 722 4473
CELL 435 722 9448

[illegible]

DIV. OF OIL, GAS & MINING

COCHRANE RESOURCES, INC
P.O. BOX 1856
ROOSEVELT UTAH
84066

OFF 435 722 5081
FAX 435 722 4473
CELL 435 722 8448

DAILY DRILLING REPORT

LEASE NAME & WELL NO. DIVIDE # 32-32				FIELD EXPLORATORY		DATE October 21, 2006	
RIG NAME AND NUMBER LOBO # 100				COUNTRY GRAND COUNTY, UT		STATE UT	
TOTAL DEPTH 7873		Rot. Hrs. 0	Conn. Hrs. 258.5	FOOTAGE DRILLED 0	LAST CASING SIZE, WEIGHT, GRADE 4-1/2" M-80-LT@ C-11.60		SET @ 7873
ACTIVITY AT REPORT TIME RIGGING ROTARY RIG DOWN				REPORTED BY D-DAY		Report No. Item equal 22	
REMARKS FORMATION-MANCOS-WEATHER, COLD						KB TO GL 13.9	
TIME LOG							
TO		HOURS	Activity Detail			API NO. 43-019-31487	
6:00	10:30	4.50	RUNNING 4-1/2" CSY, RUN 186 JTS OF M-80-11.60 LT@ C=7880 FT, LANDED AT 7873 K.B. FLOAT COLLAR AT 7831, MARKER JT TOP AT 6832.53-JT IS 17 FT LONG.				
10:30	13:00	2.5	CIRC CSY WITH RIG PUMP AND RIG UP CEMENTERS TO CEMENT CSY.				
13:00	15:30	2.5	CEMENT 4-1/2" CSY OFF WITH SUPERIOR WELL SERVICES, 310 SX OF LEAD, SLURRY WT 11.0, TAILED IN WITH 130 SX 50/50 POZ, 2% GEL, 2% AIR OUT, 2% SUPER FL-200, 2% CR-1, .25#/SX SUPER FLAKE-SLURRY WT 14.2, HAD GOOD CIRC ALL THROUGH OUT THE JOB, CIRC 35 BBLs OF SLURRY TO PIT, PLUG DOWN AT 14:40-10/20/2006, CHECKED FLOATS ALL OK, RELEASED SUPERIOR CEMENTERS, JOB COMPLET.				
15:30	16:00	0.5	CAMERON SET SLIPS ON 4-1/2" CSY, 80,000				
16:00	3:00	11	NIPPLE DOWN B.O.P. STACK AND CLEAN MUD TANKS.				
3:00	6:00	3	RIGGING DOWN ROTARY RIG.				
			4-1/2" CSY HAS AFLANGE CAP ON IT, 11" X 5,000.				
			AT 03:00-10/21/06-LOBO RIG # 100 RELEASED OF DIVIDE--# 32-32.				
FINAL REPORT OF WELL							
						STRING WT	
						UP	
						DOWN	
						ROTATE	
24.00							
MUD RECORD			MUD MATERIALS USED			BIT RECORD	
DEPTH			NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.		
TIME				GEL	SIZE		
WEIGHT				CAUSTIC	MPG		
VIS				STEARATE	TYPE		
WL				REHO	JET		
PV/YP				SAWDUST	SERIAL NO.		
H2S				SODA ASH	DEPTH OUT		
CA				PACK-UL	DEPTH IN		
GELS				PACK-R	TOTAL FEET		
ALK				NUT PLUG	HRS		
pH				BARITE	ROP(ph)		
CAKE					WT. ON BIT		
CL			DAILY COST	\$2,500.00	RPM		
KCL %			PREVIOUS COST	\$37,870.00	Cond.		
K Ion			CUMULATIVE COST	\$40,370	AN VEL		
DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	3	DEPTH	INCLINATION
1	BIT	1.00	MAKE	IDECO	G-D		
1	MUD MOTOR	27.60	MODEL	550	P27		
20	DRILL COLLARS	585.87	STROKE	15.0	7.0		
12	WT PIPE	394.44	LINER SIZE	5.5	5.5		
1	JARS	29.51	SPM		120		
8	WT PIPE	242.94	GPM		259		
	3.5DRILL PIPE		SURF PRESSURE		2150		
			SCD		9.1		
			SLOW PUMP- SPM			DAILY WELL COST	\$153,470
			SLOW PUMP- PRES			PREVIOUS CLIM COST	\$871,010
						CUMULATIVE WELL COST	\$1,024,480

U:\PROD\DRILLG.XLS

BHA

1281.36

RECEIVED

JAN 16 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML49572-OBA
2. NAME OF OPERATOR: Cochrane Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 1656 CITY Roosevelt, STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 722-5081		8. WELL NAME and NUMBER: Divide 32-32
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1189 FNL 1790 FEL		9. API NUMBER: 4301931487
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Lot5 15, S 24 E S-32		10. FIELD AND POOL, OR WILDCAT:

COUNTY: Grand

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Cochrane Resources intends to set a plug over the existing Dakota perms at 7742' - 7776', and perforate the Castlegate formation from 3852' - 3860'. The Castlegate will be tested and produced if commercial. If not commercial application will be made to return the well to a Dakota producer or co-mingle the production.

COPY SENT TO OPERATOR

Date: 10.7.2008

Initials: KS

NAME (PLEASE PRINT) Ken Allen TITLE President
SIGNATURE [Signature] DATE 9/16/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 10/1/08
BY: [Signature]

See Instructions on Reverse Side

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SEP 18 2008

DIV. OF OIL, GAS & MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML49572-OBA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Divide 32-32

9. API NUMBER:

4301931487

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Cochrane Resources, Inc.

3. ADDRESS OF OPERATOR:

PO Box 1656

CITY **Roosevelt**

STATE UT

84066

PHONE NUMBER:

(435) 722-5081

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1189' FNL 1790' FEL

COUNTY: **Grand**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Lot5 15.5 S 24 E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION		TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/1/2009</u>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____				

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Cochrane Resources intends to cement squeeze the Castlegate perforations at 3852' - 3860', drill out the composite plug at 7500" and return the well to a Dakota producer. A test of the Castlegate formation showed it to be non-commercial.

COPY SENT TO OPERATOR

Date: 5.19.2009

Initials: KS

NAME (PLEASE PRINT) **Ken Allen**

TITLE **President**

SIGNATURE

DATE **4/28/2009**

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APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 5/18/09
BY: [Signature] (See instructions)

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APR 30 2009

(5/2000)

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Cochrane Resources, Inc.

3. ADDRESS OF OPERATOR:
PO Box 1656 CITY Roosevelt STATE UT ZIP 84066

PHONE NUMBER:
(435) 722-5081

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1189' FNL 1790' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: ~~Lot 6~~ ³² 15.5 S 24 E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML49572-OBA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Divide 32-32

9. API NUMBER:

4301931487

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Castlegate was perforated from 3852' - 3860' and tested. The perforations were broke down with kcl water and swab tested. The Castlegate swabbed a trace of water and a small amount of gas, TSTM. A pressure buildup on the well showed 50 psi after 60 days. Application will be made to return the well to a Dakota producer.

NAME (PLEASE PRINT) Ken Allen

TITLE President

SIGNATURE

DATE

4/28/2009

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APR 30 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Cochrane Resources Inc Operator Account Number: N 7015
Address: PO Box 1656
city Roosevelt
state UT zip 84066 Phone Number: (435) 722-5081

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931487	Divide 32-32		SENE	32	155	24E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	15694	15694				4/01/09	
Comments: 4/29/09 tested MVRD; 05/18/2009 Cement MVRD and reopen DKTA approved by UT dogm. <i>mVRD 6/30/09 ER</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Earlene Russell (for DOGM)

Name (Please Print)

Earlene Russell

Signature

Engineering Tech

Title

6/30/2009

Date

RECEIVED

JUN 30 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML49572-OBA
2. NAME OF OPERATOR: COCHRANE RESOURCES INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P. O. BOX 1656 CITY ROOSEVELT STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 722-5081		8. WELL NAME and NUMBER: DIVIDE 32-32
10. FIELD AND POOL, OR WILDCAT:		9. API NUMBER: 4301931487

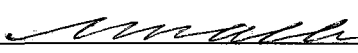
4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1189' FNL 1790' FEL** COUNTY: **GRAND**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **LOT5 32 15.5S 24E** STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 8/6/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Castlegate perforations were cement squeezed and the well was returned to a Dakota producer.

NAME (PLEASE PRINT) Ken Allen	TITLE President
SIGNATURE 	DATE 8/11/2009

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AUG 12 2009

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